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## MINISTRY OF LAW

*New Delhi, the 15th April, 1953*

The following Act of Parliament received the assent of the President on the 14th April, 1953 and is hereby published for general information:—

### THE KHADI AND OTHER HANDLOOM INDUSTRIES DEVELOPMENT (ADDITIONAL EXCISE DUTY ON CLOTH) ACT, 1953

No. 12 OF 1953

[14th April, 1953]

An Act to provide for the levy and collection of an additional duty of excise on cloth for raising funds for the purpose of developing khadi and other handloom industries and for promoting the sale of khadi and other handloom cloth.

BE it enacted by Parliament as follows:—

1. **Short title and extent.**—(1) This Act may be called the Khadi and other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

2. **Definitions.**—In this Act, unless the context otherwise requires,—

(a) 'appointed day' means the 15th day of February, 1953;

(b) 'cloth' has the meaning assigned to it in the First Schedule to the Central Excises and Salt Act, 1944 (I of 1944);

(c) 'handloom cloth' means any cloth woven from any material, including silk, artificial silk, staple fibre and wool, on looms worked by manual labour;

(d) 'handloom industries' means industries which manufacture khadi or other handloom cloth;

(e) 'khadi' means any handloom cloth woven from yarn hand-spun in India.

**3. Levy of additional duty of excise on cloth.**—(1) There shall be levied and collected on all cloth manufactured on or after the appointed day in the territories to which this Act extends, and on all cloth lying in stock on the appointed day in any factory where cloth is manufactured or in any premises appurtenant thereto, a duty of excise at the rate of three pies per yard:

Provided that no such duty shall be levied on cloth which is exported out of India.

(2) The duty of excise specified in sub-section (1) shall be in addition to the duty of excise chargeable on cloth under the Central Excises and Salt Act, 1944 (I of 1944), and shall be levied and collected in the same manner as the duty of excise on cloth is levied and collected under that Act.

**4. Application of proceeds.**—The Central Government may utilise the net proceeds of the duty of excise levied under this Act for meeting the costs of such measures as it considers necessary or expedient to take for developing khadi and other handloom industries, and, in particular, measures for—

(a) undertaking, assisting or encouraging khadi and other handloom industries;

(b) encouraging the adoption of improved methods of manufacturing khadi and other handloom cloth;

(c) encouraging and developing research in the technique of production of khadi and other handloom cloth and in the art of designs relating thereto;

(d) maintaining or assisting in the maintenance of institutes for the development of khadi and other handloom industries;

(e) promoting the sale and marketing of khadi and other handloom cloth;

(f) fixing the grades and standards of khadi and other handloom cloth and enforcing quality control;

(g) promoting and encouraging co-operative effort among manufacturers of khadi and other handloom cloth.

**5. Power to make rules.**—(1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) the manner in which the proceeds of the duty of excise levied under this Act may be applied for all or any of the purposes specified in section 4;

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(b) the making of grants or loans from such proceeds to State Governments for all or any of the said purposes;

(c) the allocation of the net proceeds of the duty of excise between khadi and other handloom industries;

(d) the manner in which accounts relating to the proceeds of the duty of excise shall be maintained;

(e) the exemption from the whole or any part of the duty of excise levied under this Act of any variety of cloth which is for the time being exempt from the duty of excise imposed under the Central Excises and Salt Act, 1944 (I of 1944).

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K. Y. BHANDARKAR,  
*Secy. to the Govt. of India.*

